

After recording, return to:
William M. Ganong
Attorney at Law
514 Walnut Avenue
Klamath Falls OR 97601

Vol M01 Page 32779

'01 JUL 5 PM 3:37

NOTICE OF DEFAULT AND ELECTION TO SELL

Pursuant to ORS 86.705-795, the undersigned Trustee and the Beneficiary have elected to foreclose the following described Trust Deed in the manner provided by said statute.

1. A. Grantor: J. Douglas Parker and Andrea Parker
B. Trustee: AmeriTitle
C. Beneficiary: Al Fitts and June Fitts

2. The legal description of the property covered by the subject Trust Deed is:

Parcel 2 of Land Partition 36-92, situated in
Government Lots 21 and 28 of Section 3, Township
36 South, Range 7 East of the Willamette Meridian,
Klamath County, Oregon.

Klamath County Assessor's Account No.
3607-A0300-01100

The book, page number, and the date the subject Trust Deed was recorded in the Mortgage Records of Klamath County, Oregon are:

Book: M98 Page: 32158 Date Recorded: September 1, 1998

3. The defaults for which the foreclosure is made are as follows: (1) Grantors' failure to pay the real property taxes and assessments for the tax years 1999-2000 in the sum of \$1,324.95, plus interest, and 2000-2001 in the sum of \$1,094.75, plus interest, before they became delinquent; and (2) Grantors' failure to pay the sum of \$25,000 that was due and payable upon the sale of Grantors' home. Said home was sold at a foreclosure sale, but the \$25,000 payment was not paid.

4. The amount owing on the obligation secured by the subject Trust Deed as of July 2, 2001 is \$124,530.05, plus interest at the note rate of 7.0% per annum from July 2, 2001 until paid; and real property taxes, assessments, and interest for the tax years 1999-2000 and 2000-2001 in the total sum of \$2,419.70, plus interest thereon at the rate of 1 1/3% per month from July 15,

2001, which are due and payable by the Grantor as provided in said Trust Deed.

32780

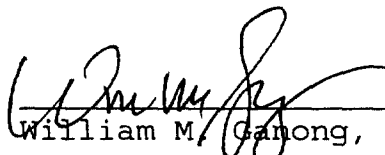
5. The Beneficiary and the Trustee have elected to foreclose the above referenced Trust Deed pursuant to the provisions of Oregon Revised Statutes 86.705 to 86.795.

6. The Trustee will conduct a sale of the above described property at 10:00 a.m. on the 19th day of November, 2001, at the front entrance to the office of William M. Ganong, Attorney at Law, at 514 Walnut Avenue, Klamath Falls, Oregon.

7. Pursuant to ORS 86.753, the Grantor, the Grantor's successor in interest to all or any part of the above described property, any beneficiary under a subordinate Trust Deed, or any person having a subordinate lien or encumbrance of record on the property, may cure the default or defaults at any time prior to five days before the above said date of sale by paying the entire amount due at the time of cure under the terms of the obligation, other than such portion as would not then be due had no default occurred. In addition, the person affecting the cure shall pay all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with the Trustee's and Attorney's fees specified in the said statute.

In construing this instrument, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other persons owing an obligation, the performance of which is secured by said Trust Deed, the words "trustee" and "beneficiary" include their respective successors in interest, if any.

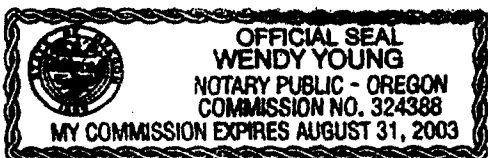
Dated this 3 day of July, 2001.

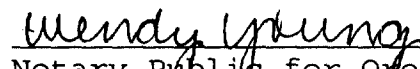


William M. Ganong,
Successor Trustee

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on July 3, 2001, by William M. Ganong as Successor Trustee.





Notary Public for Oregon
My commission expires: 8-31-2003

State of Oregon, County of Klamath
Recorded 07/05/01 at 3:37 p.m.
In Vol. M01 Page 32779
Linda Smith,
County Clerk Fee\$ 26.00